

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Report
Financial Statements
And
Supplemental Information
Schedule of Findings
June 30, 2013**

PLYMOUTH COUNTY, IOWA

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PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
Jim Henrich	Board of Supervisors	December 31, 2016
Jack Guenthner	Board of Supervisors	December 31, 2014
Don Kass	Board of Supervisors	December 31, 2014
Craig Anderson	Board of Supervisors	December 31, 2014
Mark Loutsch	Board of Supervisors	December 31, 2016
Stacey Feldman	County Auditor	December 31, 2016
Linda Dobson	County Treasurer	December 31, 2014
Jolynn Goodchild	County Recorder	December 31, 2014
Mike Van Otterloo	County Sheriff	December 31, 2016
Darin J. Raymond	County Attorney	December 31, 2014
Robert Heyderhoff	County Assessor	December 31, 2015



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Plymouth County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with U.S generally accepted accounting principles.

Emphasis of Matter

As described in Note 15 to the financial statements, in fiscal year 2013, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress for the retiree health plan on pages 6 through 13, and pages 40 through 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plymouth County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. We also previously audited in accordance with the standards referred to in the second paragraph of this report, the financial statements for the two years ended June 30, 2005 (which are not presented herein) and expressed adverse opinions on those financial statements due to the effects of the omission of general fixed assets. The other supplementary information included on pages 44 through 58, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S generally accepted auditing standards. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2014, on our consideration of Plymouth County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plymouth County's internal control over financial reporting and compliance.

Williams + Company, P.C.

Certified Public Accountants

Le Mars, Iowa
January 27, 2014

PLYMOUTH COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLYMOUTH COUNTY PROVIDES THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF ITS FINANCIAL STATEMENTS. THIS NARRATIVE OVERVIEW AND ANALYSIS OF THE ACCRUAL ACCOUNTING AND FINANCIAL ACTIVITIES IS FOR THE FISCAL YEAR ENDING JUNE 30, 2013. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

2013 FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the end of FY13 by \$59,743,291 (net position).
 - Plymouth County's FY13 total net position increased by \$2,397,162 from FY12.
 - At the end of FY13, Plymouth County governmental funds reported a combined ending fund balances of \$5,941,520, which is 29% of the total of the governmental funds expenses.
 - The unassigned general fund balance increased \$382,939 from FY12 to FY13, which is a 31% increase.
 - At the end of FY13, the unassigned fund balance for the general fund was \$1,602,405; which is 24% of the total of the general fund expenditures.
-

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The **Government-wide Financial Statements** consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Plymouth County as a whole and present an overall view of the County's finances.

The **Fund Financial Statements** tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Plymouth County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial

information about activities for which Plymouth County acts solely as an agent or custodian for the benefit of those outside of the government (Agency Funds).

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the county's budget for the year, as well as presenting a schedule of funding progress for the retiree health plan.

Supplemental Information provides detailed information about the non-major funds and the individual agency funds.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the County's finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The **Statement of Net Position** presents all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **Statement of Activities** presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, interest on long-term debt and capital projects. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Plymouth County has two types of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows in and out of those funds. These balances left at year-end are

available for spending. The county has 13 governmental funds. These main governmental funds include: 1) the General Fund, 2) the Special Revenue funds, such as Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Local Option Sales Tax Fund, Joint Urban Renewal Fund and Ethanol Urban Renewal Fund, 3) Debt Service Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balance.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for Emergency Management Services, the County Assessor, and the Emergency 911 as a few examples.

The required financial statement for agency funds is a statement of fiduciary net position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follows the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Plymouth County's total net position for FY13 totaled \$59,743,291. The analysis that follows focuses on the components of net position for the governmental activities.

Net Position of Governmental Activities

	2013	2012
Current and other assets	\$18,536,692	\$24,948,044
Capital assets	62,538,702	59,852,876
Total Assets	<u>\$81,075,394</u>	<u>\$84,800,920</u>
Long-term debt outstanding	7,523,694	8,513,473
Other liabilities	2,741,108	8,213,070
Total liabilities	<u>\$10,264,802</u>	<u>\$16,726,543</u>
Unavailable Revenue – Future Property Tax	11,067,301	10,728,248
Total Deferred Inflows of Resources	<u>\$11,067,301</u>	<u>\$10,728,248</u>
Net position:		
Net Investment in Capital Assets	60,500,968	57,339,231
Restricted	5,591,857	5,420,164
Unrestricted	(6,349,534)	(5,413,266)
Total net position	<u>\$59,743,291</u>	<u>\$57,346,129</u>

The largest portion of the County's net position is invested in capital assets (e.g. land, infrastructure, buildings, and equipment), less the related debt. The debt related to capital assets are liquidated with resources other than capital assets. A portion (9%) of the County's net position represents resources that are subject to external restrictions on how they may be used. Unfortunately, there is not a positive balance in unrestricted net position, which is used to meet the County's ongoing obligations to citizens and creditors. There is a negative balance due to the \$7,840,000 general obligation bond issued in 2005, of which \$6,455,000 is outstanding at June 30, 2013. This was not issued for County assets; it was for a grant awarded to Le Mars Business Initiative Corporation to be used for economic development purposes (Wells Corporate Campus).

Governmental Activities – Governmental activities increased the County's net position by \$2,397,162. Key elements of this increase are as follows:

Change in Net Position of Governmental Activities		
	2013	2012
Revenues:		
Program revenues:		
Charges for service and sales	\$1,587,932	\$1,529,393
Operating grants and contributions	5,523,393	7,026,358
Capital grants and contributions	2,455,435	5,404,678
General revenues:		
Property tax	10,425,531	9,879,140
Interest & penalty on taxes	61,238	63,172
State tax credits	197,153	269,820
Local Option Sales Tax	1,028,536	1,070,316
General Intergovernmental revenues	247,821	5,252
Unrestricted Investment Earnings	398,236	95,526
Gain on Sale of Assets	5,305	-
Miscellaneous	205,042	225,990
Total Revenues	<u>\$22,135,622</u>	<u>\$25,569,645</u>
Program expenses:		
Public safety and legal services	3,244,176	3,055,869
Physical health and social services	385,950	368,490
Mental health	688,321	2,157,216
County environment and education	894,622	795,062
Roads and transportation	9,203,944	8,381,994
Government services to residents	853,682	715,426
Administration	3,749,871	3,688,331
Non-program services	25,600	-
Interest on long-term debt	441,543	489,729
Total expenses	<u>\$19,487,709</u>	<u>\$19,652,117</u>
Change in net position	2,647,913	5,917,528
Net position - beginning	57,346,129	51,428,601
Prior period adjustment	(250,750)	-
Net position – beginning, restated	<u>57,095,379</u>	<u>51,428,601</u>
Net position - ending	<u>\$59,743,291</u>	<u>\$57,346,129</u>

- Property tax revenue increased by \$546,391 in total due to various factors. Tax increment taxable valuations increased \$12,981,189 and property tax revenue in the general fund and rural services fund also increased approximately \$400,000 due to increased taxable valuations (\$62,182,202) and steady property tax levies.
- Capital grants and contributions decreased primarily due to a decrease in Farm to Market projects in the Secondary Roads fund.
- Operating grants and contributions decreased primarily due to a decrease in mental health state funding received in the current year as a result of the change in mental health funding at the state level. Beginning in FY13, counties are no longer responsible for the funding of Medicaid services which resulted in the elimination of a significant amount of state mental health funding at the County level.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Roads and transportation saw a greater increase due to increased costs and a few smaller repair projects. Mental health saw a significant decrease in expenses due to the change in funding at the state level.

Individual Major Fund Analysis

As Plymouth County completed FY13, its budgetary governmental funds reported a combined fund balance of \$5,941,520. FY12 combined fund balances were \$12,938,251. This represents a total decrease of \$6,996,731. This significant decrease is the result of the issuance of \$6,455,000 GO crossover refunding bonds in FY12 which were used to refund the Series 2005 GO Urban Renewal Bonds in June 2013.

The General Fund, as the operating fund of Plymouth County, ended FY13 with a balance of \$1,853,787. The General Fund ending fund balance in FY12 was \$1,584,139. This represents an increase of \$269,648 which is due to an increase in revenue and cuts in spending. The General Fund balance is growing and it is a goal for FY14 budget to continue to increase to even a more healthy state.

The Mental Health Fund ended FY13 with a balance of \$106,564. The ending fund balance for FY12 was \$31,979. This represents an increase of \$74,585. The Mental Health Fund is determined by state mandated formulas to set the maximum property tax dollars allowed. The entire Mental Health system in regards to funding and local control is being "overhauled" by the State of Iowa legislature, therefore future planning is difficult. The Mental Health system is moving towards grouping into regions for mental health administration and in order to offer consistent core services statewide.

The Rural Services Fund ended FY13 with a balance of \$1,057,658. The ending fund balance for FY12 was \$938,483. This represents an increase of \$119,175. The Rural Services fund balance increased primarily from an increase in property tax collection. The county is continuing to expense some County Sheriff deputy's expenses from the rural services fund in addition to others in the general basic fund.

The Secondary Road Fund ended FY13 with a balance of \$2,067,604. The ending fund balance for FY12 was \$2,594,020. This represents a decrease of \$526,416. The decrease is due to timing of projects within the construction program.

The Joint Urban Renewal Fund ended FY13 with a balance of (\$59,115). The ending fund balance for FY12 was (\$809,046). The County received payment in FY 13 for their purchase of property known as "Winter Feed Lots". The other balance is from the City of Le Mars for expenses the County incurred to grade and pave Key Ave. and the purchase of property known as Le Mars Industrial Park 2nd addition. The County intends to finance this deficit with future TIF revenues.

The Local Option Sales Tax Fund ended FY13 with a balance of \$1,754,676. The ending fund balance for FY12 was \$1,490,532. This represents an increase of \$264,144. The increase is attributed to less budgeted expenses in FY 13 compared to the projects in the past years.

BUDGETARY HIGHLIGHTS

Over the course of the year, Plymouth County amended its budget one time. The amendment was made June 4, 2013 and resulted in an increase in budgeted disbursements related to increased costs from increased additional conservation department expenses including the track loader with forestry mulcher, the Merrill 5th St. project in the Plymouth County Ethanol Urban Renewal Area, Sheriff fuel costs, a part time deputy Sheriff, Sheriff's project lifesaver, Juvenile delinquencies, pass-through EMS grants, Attorney Office remodel project, Sheriff equipment and evidence building expenses, public health pass through grants, Synergy Center and substance abuse expenses, veteran affairs salary expense, new voting equipment, TIF revenue to the City of Le Mars, Board of Supervisors meeting expenses, workers compensation premium expense, liability insurance expenses increase, phone system/lightning expense, pass through grant for Akron Boat ramp, and the Wells bond payment adjustment due to refinancing. There were many off-setting revenues for these expenses as well.

The County's total receipts on a cash basis for FY13 were \$22,294,644. The county budgeted \$25,775,624 as projected revenues, for a difference of and a decrease of \$3,480,980; a decrease of 14%. This was partially due to the State not funding the budgeted or expected Mental Health revenues in FY 13 and the timing of the Ethanol Urban Renewal bonding and a TIF payment to Secondary Roads.

Total cash disbursements were \$22,624,977 for FY13 with the budgeted expenses projected to be \$26,566,795, which was \$3,941,818 less than the amended budget. This was primarily due timing in TIF payments/expenses and the departments reducing spending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY13, Plymouth County had approximately \$62.54 million invested in capital assets, net of accumulated depreciation. At the end of FY12, Plymouth County had approximately \$59.85 million invested in capital assets, net of accumulated depreciation.

Capital Assets of Governmental Activities at Year End		
	2013	2012
Land (capital asset not being depreciated)	\$ 2,396,195	\$ 2,220,185
Buildings and improvements	7,458,898	7,960,573
Equipment	3,787,605	3,833,325
Infrastructure	46,951,290	42,765,036
Construction in progress (capital asset not being depreciated)	1,944,714	3,073,757
Total Governmental Activities Capital Assets	\$ 62,538,702	\$ 59,852,876
Less: Total Capital Assets not being depreciated	4,340,909	5,293,942
Total Governmental Activities Capital Assets being depreciated, net	<u>\$ 58,197,793</u>	<u>\$ 54,558,934</u>

The County had a total accumulated depreciation on June 30, 2013 of \$39,818,685. Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long Term Debt

At the end of FY13 Plymouth County had total bonded indebtedness of \$8,450,000, including general obligation and GO local option sales tax refunding bonds.

	2013	2012
GO L.O.S.T. Refunding Bonds, Series 2010	\$ 1,995,000	\$ 2,460,000
GO Urban Renewal Bonds	-	6,490,000
GO Refunding Bonds, Series 2011	6,455,000	6,455,000
Net Total Outstanding Debt	<u>\$ 8,450,000</u>	<u>\$ 15,405,000</u>

Additional information on the County's long-term debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Plymouth County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2014 budget, tax rates, and fees that finance the various County services. The tax rate for FY14 in the Rural Basic Fund remains constant, at the 3.95000 maximum levy and the General Basic Fund remains constant at maximum levy of 3.50000 in order to properly fund operations of this fund for FY14. The General Fund ended FY13 with a \$394,022 net increase in fund balance from FY12. (Plymouth County budgets on a cash basis, therefore, amounts in this budget section are also presented on a cash basis, while the rest of this report previously has been reported on an accrual basis.) The budget goal for the General Basic Fund is to help stabilize the General Fund Reserves by maintaining a minimum of \$1,500,000 fund balance. Plymouth County received an increase of \$86,743,388 of taxable valuation for FY14 from FY13, which increases the amount of property tax for the General Fund. The tax levy rate in the Debt Service Fund was reduced slightly to .05271 in FY14 from .06742 in FY13.

Plymouth County levy rate in the General Basic Supplemental fund was decreased to 0.14908 in FY14 from 0.22074 for FY13. This levy creates \$200,000 of tax which will be used to purchase the Counties liability insurance and assist in funding the EMA program.

These factors were taken into account when adopting the budget for fiscal year 2014. The amounts available for appropriation in the General Fund are approximately \$6,303,167 and the General Basic Supplemental Fund is \$186,983. The amounts available for appropriation in the Special Revenue Funds are approximately \$13,456,977. The amounts available for appropriation in the Debt Service Fund are \$1,717,335 which now includes a bond payment in the Plymouth County Ethanol Urban Renewal Fund.

If these estimates are realized, Plymouth County's General Fund FY14 balance is expected to increase higher than the year-end balance than FY13. The Rural Fund balance is expected to maintain the about same or increase very slightly in FY14 from FY13, due to increased revenues but they county also will be adding some sheriff deputy expenses to the rural fund.

CONTACTING THE COUNTY'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Plymouth County finances, and to show the County's accountability for the money it receives. This Management Discussion and Analysis was prepared by Auditor, Stacey Feldman. If you have any questions about this report or need additional information, contact:

Plymouth County Auditor's Office

Stacey Feldman – Plymouth County Auditor

**215 4th Ave. SW
Le Mars, Iowa, 51031
Phone: (712) 546-6100
Fax: (712) 546-5784**

PLYMOUTH COUNTY BOARD OF SUPERVISORS FOR FY 12-13:

Don Kass Jim Henrich Mark Loutsch Jack E. Guenthner Craig Anderson

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 3,537,652
Receivables:	
Property Tax	33,537
Future Property Tax	11,067,301
Accrued Interest	12,152
Accounts	15,024
Due from Other Governmental Agencies	845,345
Note Receivable	986,373
Inventories	1,347,699
Prepaid Assets	151,609
Restricted Assets:	
Cash and Pooled Investments	540,000
Land and Land Improvements	2,396,195
Construction in Progress	1,944,714
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	58,197,793
Total Assets	<u>81,075,394</u>
LIABILITIES	
Accounts Payable	1,102,278
Due to Other Governmental Agencies	301,689
Accrued Interest Payable	16,885
Salaries and Benefits Payable	90,887
Long Term Liabilities:	
Due Within One Year:	
GO Refunding Bonds	505,000
GO L.O.S.T. Refunding Bonds	480,000
Compensated Absences	244,369
Due in More Than One Year:	
GO Refunding Bonds	5,950,000
GO L.O.S.T. Refunding Bonds	1,515,000
Premium on GO L.O.S.T Refunding Bonds	42,734
Net OPEB Liability	15,960
Total Liabilities	<u>10,264,802</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Future Property Tax	11,067,301
Total Deferred Inflows of Resources	<u>11,067,301</u>
NET POSITION	
Net Investment in Capital Assets	60,500,968
Restricted for:	
Supplemental Levy Purposes	6,155
Rural Services Purposes	1,051,699
Debt Service Purposes	580,244
Mental Health Purposes	106,829
Secondary Roads Purposes	1,942,799
Local Option Sales Tax Purposes	1,754,676
Other Purposes	149,455
Unrestricted	(6,349,534)
Total Net Position	<u>\$ 59,743,291</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

		Program Revenues
Functions/Programs	Expenses	Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 3,244,176	\$ 781,847
Physical health and social services	385,950	3,168
Mental health	688,321	-
County environment and education	894,622	139,236
Roads and transportation	9,203,944	118,387
Government services to residents	853,682	528,135
Administration	3,749,871	17,159
Non-program services	25,600	-
Debt Service	441,543	-
Total governmental activities	\$ 19,487,709	\$ 1,587,932

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense)
		Revenue and Changes
		in Net Position
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
\$ 34,891	\$ -	\$ (2,427,438)
158,437	-	(224,345)
361,329	-	(326,992)
40,424	-	(714,962)
4,712,179	2,455,435	(1,917,943)
2,079	-	(323,468)
-	-	(3,732,712)
-	-	(25,600)
214,054	-	(227,489)
<u>\$ 5,523,393</u>	<u>\$ 2,455,435</u>	<u>\$ (9,920,949)</u>

General Revenues:

Property and other county tax levied for:	
General Purposes	10,327,218
Debt Service	98,313
Interest and penalties on taxes	61,238
State tax credits	197,153
Local option sales tax	1,028,536
General intergovernmental revenues	247,821
Interest	398,236
Gain on Sale of Assets	5,305
Miscellaneous	205,042
Total general revenues	<u>12,568,862</u>
Change in net position	2,647,913
Net position - beginning	57,346,129
Prior Period Adjustment	(250,750)
Net position - beginning, restated	<u>57,095,379</u>
Net position - ending	<u>\$ 59,743,291</u>

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2013

	General	Mental Health	Rural Services
Assets			
Cash and Pooled Investments	\$ 240,122	\$ 615,724	\$ 437,730
Receivables:			
Property Tax	31,656	392	1,060
Future Property Tax	4,959,695	363,771	3,252,102
Accrued Interest	11,910	-	-
Accounts	14,560	-	-
Due from Other Funds	1,403,594	-	641,426
Due from Other Governmental Agencies	156,770	12,740	8,951
Note Receivable	-	-	-
Prepaid Assets	151,609	-	-
Inventories	-	-	-
Restricted Assets:			
Cash and Pooled Investments	-	-	-
Total Assets	6,969,916	992,627	4,341,269
Liabilities			
Accounts Payable	63,673	292,717	1,279
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	47,833	229,208	24,648
Salaries and Benefits Payable	13,743	-	4,523
Total Liabilities	125,249	521,925	30,450
Deferred Inflows of Resources			
Unavailable Revenue - Delinquent Property Tax	31,185	367	1,059
Unavailable Revenue - Subsequent Year Property Tax	4,959,695	363,771	3,252,102
Total Deferred Inflows of Resources	4,990,880	364,138	3,253,161
Fund Balances (Deficits)			
Nonspendable for:			
Inventories	-	-	-
Prepaid Assets	151,609	-	-
Restricted for:			
Supplemental Levy Purposes	5,953	-	-
Mental Health Purposes	-	106,564	-
Rural Services Purposes	-	-	1,057,658
Secondary Road Purposes	-	-	-
Debt Service	-	-	-
Local Option Sales Tax Purposes	-	-	-
Other Purposes	-	-	-
Committed for:			
Revolving Loan	-	-	-
Assigned for:			
Technology Purposes	93,820	-	-
Unassigned	1,602,405	-	-
Total Fund Balances (Deficits)	1,853,787	106,564	1,057,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,969,916	\$ 992,627	\$ 4,341,269

See Accompanying Notes to Financial Statements

Secondary Roads	Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Local Option Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,034,606	\$ 599,192	\$ -	\$ 7,865	\$ 57,022	\$ 545,391	\$ 3,537,652
-	350	-	-	79	-	33,537
-	1,879,119	530,114	-	82,500	-	11,067,301
-	207	-	-	27	8	12,152
-	-	-	-	-	464	15,024
-	-	-	1,573,474	-	-	3,618,494
493,547	-	-	173,337	-	-	845,345
-	914,942	-	-	-	71,431	986,373
-	-	-	-	-	-	151,609
1,347,699	-	-	-	-	-	1,347,699
-	-	-	-	540,000	-	540,000
2,875,852	3,393,810	530,114	1,754,676	679,628	617,294	22,155,186
735,627	-	8,500	-	-	482	1,102,278
-	1,573,474	2,045,020	-	-	-	3,618,494
-	-	-	-	-	-	301,689
72,621	-	-	-	-	-	90,887
808,248	1,573,474	2,053,520	-	-	482	5,113,348
-	332	-	-	74	-	33,017
-	1,879,119	530,114	-	82,500	-	11,067,301
-	1,879,451	530,114	-	82,574	-	11,100,318
1,347,699	-	-	-	-	-	1,347,699
-	-	-	-	-	-	151,609
-	-	-	-	-	-	5,953
-	-	-	-	-	-	106,564
-	-	-	-	-	-	1,057,658
719,905	-	-	-	-	-	719,905
-	-	-	-	597,054	-	597,054
-	-	-	1,754,676	-	-	1,754,676
-	-	-	-	-	149,455	149,455
-	-	-	-	-	467,357	467,357
-	-	-	-	-	-	93,820
-	(59,115)	(2,053,520)	-	-	-	(510,230)
2,067,604	(59,115)	(2,053,520)	1,754,676	597,054	616,812	5,941,520
\$ 2,875,852	\$ 3,393,810	\$ 530,114	\$ 1,754,676	\$ 679,628	\$ 617,294	\$ 22,155,186

See Accompanying Notes to Financial Statements

PLYMOUTH COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Governmental Funds (page 18)		\$ 5,941,520
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		62,538,702
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		33,017
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		(16,885)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
GO Refunding Bonds	(6,455,000)	
L.O.S.T. Refunding Bonds	(1,995,000)	
Compensated Absences	(244,369)	
Premium on GO LOST Refunding Bonds	(42,734)	
Other postemployment benefits	(15,960)	(8,753,063)
Total Net Position - Governmental Activities (page 14)		<u>\$ 59,743,291</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2013

	General	Mental Health	Rural Services
Revenue:			
Property and other county taxes	\$ 4,504,422	\$ 350,715	\$ 2,982,349
Interest and penalties on taxes	61,238	-	-
Intergovernmental	689,717	375,153	147,793
Licenses and permits	-	-	14,825
Charges for services	1,110,270	-	8,675
Use of money and property	145,991	-	-
Miscellaneous	191,084	28,200	54
Total Revenue	6,702,722	754,068	3,153,696
Expenditures:			
Current operating:			
Public safety and legal services	2,846,142	-	352,222
Physical health and social services	355,138	-	16,971
Mental health	-	679,483	-
County environment and education	612,779	-	353,623
Roads and transportation	-	-	-
Non-program services	25,600	-	-
Government services to residents	837,751	-	-
Administration	1,783,902	-	29,705
Capital projects	90,630	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	6,551,942	679,483	752,521
Excess (deficiency) of revenues over expenditures	150,780	74,585	2,401,175
Other financing sources (uses):			
Transfers in	-	-	-
Transfers (out)	-	-	(2,282,000)
Proceeds from sale of capital assets	5,305	-	-
Issuance of Debt	100,000	-	-
Payment on refunded bonds	-	-	-
Total other financing sources (uses)	105,305	-	(2,282,000)
Net Change in Fund Balances	256,085	74,585	119,175
Fund balances (deficits) - beginning of year	1,584,139	31,979	938,483
Increase (Decrease) in Reserve for:			
Prepaid Assets	13,563	-	-
Inventory	-	-	-
Fund balances (deficits) - end of year	\$ 1,853,787	\$ 106,564	\$ 1,057,658

See Accompanying Notes to Financial Statements

Secondary Roads	Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Local Option Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,904,310	\$ 580,064	\$ 1,028,536	\$ 98,324	\$ -	\$ 11,448,720
-	-	-	-	-	-	61,238
4,855,403	-	-	-	217,435	23,177	6,308,678
7,550	-	-	-	-	-	22,375
-	-	-	-	-	6,558	1,125,503
39,006	300,940	-	-	17,255	6,542	509,734
82,927	-	-	-	-	34,246	336,511
4,984,886	2,205,250	580,064	1,028,536	333,014	70,523	19,812,759
-	-	-	-	-	25,101	3,223,465
-	-	-	-	-	10,586	382,695
-	-	-	-	-	-	679,483
-	-	-	-	-	4,019	970,421
6,472,323	-	9,924	-	-	-	6,482,247
-	-	-	-	-	-	25,600
-	-	-	-	-	11,856	849,607
-	799,804	359,331	297,361	-	-	3,270,103
3,335,375	-	-	-	-	-	3,426,005
-	-	-	-	955,000	-	955,000
-	-	-	-	475,742	-	475,742
9,807,698	799,804	369,255	297,361	1,430,742	51,562	20,740,368
(4,822,812)	1,405,446	210,809	731,175	(1,097,728)	18,961	(927,609)
4,384,386	-	-	-	969,546	-	5,353,932
-	(655,515)	(1,949,386)	(467,031)	-	-	(5,353,932)
-	-	-	-	-	-	5,305
-	-	-	-	-	-	100,000
-	-	-	-	(6,100,000)	-	(6,100,000)
4,384,386	(655,515)	(1,949,386)	(467,031)	(5,130,454)	-	(5,994,695)
(438,426)	749,931	(1,738,577)	264,144	(6,228,182)	18,961	(6,922,304)
2,594,020	(809,046)	(314,943)	1,490,532	6,825,236	597,851	12,938,251
-	-	-	-	-	-	13,563
(87,990)	-	-	-	-	-	(87,990)
\$ 2,067,604	\$ (59,115)	\$ (2,053,520)	\$ 1,754,676	\$ 597,054	\$ 616,812	\$ 5,941,520

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 21)	\$ (6,922,304)
--	----------------

Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	6,095,131	
Depreciation Expense	<u>(3,409,305)</u>	2,685,826

Revenues reported in the funds that are available to provide current financial resources	5,347
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Accrued interest expense that does not require current financial resources	23,288
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Inventories and insurance in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding asset is exhausted.	(74,426)
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Compensated absences that require current financial resources.	(29,597)
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Proceeds from issuance of long-term debt	(100,000)
--	-----------

The effect of bond premium when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	10,911
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The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:	7,055,000
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Other postemployment benefits that do not require current financial resources	<u>(6,132)</u>
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Change in net position of governmental activities (page 16)	<u>\$ 2,647,913</u>
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COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds - Agency Funds
JUNE 30, 2013

ASSETS

Cash and Pooled Investments	\$	2,209,437
Receivables:		
Property Tax		34,759
Future Property Tax		29,645,587
Assessments		16,621
Accounts		19,683
Accrued Interest		68
Due from Other Governments		51,283
Total Assets		<u><u>31,977,438</u></u>

LIABILITIES

Accounts Payable		3,952
Due to Other Governments		31,970,222
Compensated Absences		3,264
Total Liabilities	\$	<u><u>31,977,438</u></u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies

The County of Plymouth, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's Financial Statements are prepared in accordance with the U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The more significant accounting policies established by GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. Plymouth County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Plymouth County Assessor's Conference Board, Plymouth County and Municipal Joint Disaster Services Commission, and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported as Agency Funds of the County.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The County has no business-type activities. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities.

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County. In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting (Continued)

capital assets, restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

- 1) **General Fund** – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

- 2) **Special Revenue Funds**

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting (Continued)

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for county infrastructure and county improvements.

The Joint Urban Renewal Fund is used to account for the TIF dollars that will be generated by a new TIF district established in Plymouth County.

The Plymouth County Urban Renewal Fund is used to account for tax increment financing income that is generated from the County TIF districts.

- 3) Debt Service Fund - The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when the payment is due.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting (Continued)

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid either using restricted or unrestricted resources, it is the County's policy to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned, and then unassigned fund balances

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the debt service function.
- F. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Iowa Public Agency Investment Trust	Fair value determined by current share price

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2011 to compute the amounts for the accrual period July 1, 2012 to June 30, 2013. These taxes were due and payable in two installments on September 30, 2012 and March 31, 2013 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting (Continued)

- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

- I. Assessments Receivable – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten or more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represents assessments, which are due and payable in the next year but have not been collected and are recorded in a fiduciary fund of the County.
- J. Due to/from Other Funds – During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.
- K. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- L. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Reported inventories in the fund financial statements are equally offset by a nonspendable fund balance which indicates that they are not available to liquidate current obligations.
- M. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 for equipment, \$25,000 for land and buildings, and \$65,000 for infrastructure.

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Buildings and Structures	10 - 75 Years
Infrastructure	10 - 65 Years
Machinery and Equipment	5 - 20 Years

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting (Continued)

- N. Deferred Outflow/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, *deferred inflow of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. The governmental activities in the government-wide statements and the governmental funds report unavailable revenues from subsequent year property taxes. The governmental funds report unavailable revenues from subsequent year property taxes and delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- O. Landfill – The County participates in a 28E agreement with Plymouth County Solid Waste Agency and therefore, is not required to account for landfill post closure costs.
- P. Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements and includes the related employee benefits. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2013. The compensated absence liability attributable to the governmental activities will be paid primarily by General and Secondary Roads Funds.
- Q. Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums and discounts on new debt issued are reported as an other financing source or use.

- R. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resource are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting (Continued)

Committed – Amounts which can be used for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County has non-negotiable certificates of deposits as of June 30, 2013 with various maturities extending no later than July, 2016.

At June 30, 2013 the County had the following investments meeting the disclosure requirement of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

	<u>Credit Risk</u>	<u>Fair Value</u>	<u>Maturity</u>
IPAIT	AAA	\$ 99,313	N/A

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at fair value. IPAIT was created pursuant to Iowa Code Chapter 28E and is registered with the Securities and Exchange Commission (SEC) in accordance with 17 C.F.R. Section 270.2a-7.

Custodial Credit Risk: The County has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Interest rate risk: The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 3 - Notes Receivable

Plymouth County Revolving Loan Fund – During the year ended June 30, 2007 the Plymouth County Revolving Loan Fund was created. The purpose of the fund is to promote economic development in Plymouth County. During the year ended June 30, 2013, the County made no contributions to the Plymouth County Revolving Loan Fund. The County records the loan activity of this fund as a Special Revenue Fund.

The proceeds from the businesses remain in the Plymouth County Revolving Loan Fund for future loans to other businesses. Loan repayments totaled \$147,540 during the year ended June 30, 2013. The County has one loan outstanding that is secured by personal guarantees of the business owners. The loan balance as of June 30, 2013 totals \$71,431.

Note 4 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2013 is as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>	
General Basic	Plymouth County Ethanol Urban Renewal	\$ 1,403,594	*
Rural Services	Plymouth County Ethanol Urban Renewal	641,426	*
Local Option Sales Tax	Joint Urban Renewal	1,573,474	*
		<u>\$ 3,618,494</u>	

* The purpose of these interfund balances is to finance short-term cash flow shortages.

Note 5 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,220,185	\$ 176,010	\$ -	\$ 2,396,195
Construction in Progress	3,073,757	2,982,930	4,111,973	1,944,714
Total capital assets not being depreciated	5,293,942	3,158,940	4,111,973	4,340,909
Capital assets being depreciated:				
Buildings	9,655,242	-	-	9,655,242
Equipment	8,449,727	483,693	247,555	8,685,865
Infrastructure	73,074,564	6,600,807	-	79,675,371
Total capital assets being depreciated	91,179,533	7,084,500	247,555	98,016,478
Less accumulated depreciation for:				
Buildings	1,694,669	501,675	-	2,196,344
Equipment	4,616,402	493,077	211,219	4,898,260
Infrastructure	30,309,528	2,414,553	-	32,724,081
Total accumulated depreciation	36,620,599	3,409,305	211,219	39,818,685
Total capital assets being depreciated, net	54,558,934	3,675,195	36,336	58,197,793
Governmental activities capital assets, net	\$ 59,852,876	\$ 6,834,135	\$ 4,148,309	\$ 62,538,702

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 68,749
Physical health and social services	3,434
Mental health	9,325
County environment and education	36,054
Roads and transportation	2,789,208
Government services to residents	810
Administration	501,725
	<u>\$ 3,409,305</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities
Land	\$ 2,396,195
Construction in Progress	1,944,714
Capital Assets (net of accumulated depreciation)	58,197,793
Less: GO L.O.S.T. Refunding Bonds	(1,995,000)
Less: Premium on GO L.O.S.T. Refunding Bonds	(42,734)
Net Investment in Capital Assets	<u>\$ 60,500,968</u>

Note 6 - Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2013, is \$121,621,002 of which \$8,450,000 is committed for outstanding general obligation bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2013:

	GO Urban Renewal Bonds	GO L.O.S.T. Refunding Bonds	GO Refunding Bonds	General County Purpose Bond	Compensated Absences	Other Post- Employment Benefits	Total
Balance Beginning of Year	\$ 6,490,000	\$2,460,000	\$6,455,000	\$ -	\$ 214,772	\$ 9,828	\$15,629,600
Increases	-	-	-	100,000	244,369	6,132	350,503
Decreases	6,490,000	465,000	-	100,000	214,772	-	7,269,772
Balance End of Year	<u>\$ -</u>	<u>\$1,995,000</u>	<u>\$6,455,000</u>	<u>\$ -</u>	<u>\$ 244,369</u>	<u>\$ 15,960</u>	<u>\$ 8,710,329</u>
Due Within One Year	\$ -	\$ 480,000	\$ 505,000	\$ -	\$ 244,369	\$ -	\$1,229,369

Bonds Payable

A summary of the County's June 30, 2013 general obligation and local option sales tax bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2013
GO Local Option Sales Tax Refunding: Series 2010	2010	2.45 - 3.0%	\$480,000 - \$520,000	\$3,355,000	\$ 1,995,000
General Obligation Refunding Bonds: Series 2011	2011	.8 - 3.45%	\$385,000 - \$620,000	\$6,455,000	6,455,000
					<u>\$ 8,450,000</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 6 - Long-Term Liabilities (Continued)

In June 2010, the County issued \$3,355,000 of General Obligation Local Option Sales Tax Refunding Bonds in an advance refunding of the 2002 L.O.S.T. Revenue Bonds. The 2010 bonds have an average interest rate of 2.82%. The net proceeds from this issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. The balance in the escrow was used to refund the remaining \$2,305,000 on December 1, 2012 when the notes became callable. As a result, the County will reduce its debt service payments over the next fifteen years by \$8,282 and obtain an economic gain of \$6,769.

On August 23, 2011 the County issued \$6,455,000 of General Obligation Refunding Bonds, Series 2011 in a crossover advance refunding of the Series 2005 GO Urban Renewal Bonds. The 2012 bonds have an average interest rate of 2.6% and the 2005 bonds being refunded have an average rate of 4.2%. The net proceeds from the issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. The balance in the escrow was used to refund the remaining \$6,100,000 of the 2005 bonds on June 1, 2013 when these notes became callable. As a result of this refunding, the County will reduce its debt service payments over the next twelve years by \$312,137, and obtain an economic gain of \$231,098.

The County also issued a \$100,000 general county purpose bond on March 22, 2013 which was repaid by the debt service fund on April 17, 2013. The proceeds were used to finance capital acquisitions of the County.

The annual requirements to amortize all bonds outstanding as of June 30, 2013, are as follows:

Fiscal Year	GO L.O.S.T. Refunding Bonds Principal	Go Refunding Principal	Interest	Total
2014	\$ 480,000	\$ 505,000	\$ 195,415	\$ 1,180,415
2015	490,000	510,000	176,825	1,176,825
2016	505,000	520,000	157,934	1,182,934
2017	520,000	525,000	137,188	1,182,188
2018	-	535,000	121,245	656,245
2019-2023	-	2,855,000	413,705	3,268,705
2024-2025	-	1,005,000	47,025	1,052,025
	<u>\$ 1,995,000</u>	<u>\$ 6,455,000</u>	<u>\$ 1,249,337</u>	<u>\$ 9,699,337</u>

\$597,054 is available to service the General Obligation Refunding Bonds. The general obligation bonds are to be retired through property tax levies. The Local Sales Tax Refunding Bonds are to be retired through local option sales tax revenue and contributions from surrounding communities pursuant to a 28E agreement.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 6 - Long-Term Liabilities (Continued)

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of the revenue bonds. A summary of the fund requirements is as follows:

Special Revenue	Type of Account	Required Balance June 30, 2013	Actual Balance June 30, 2013
Jail Bond Sinking Fund	Sinking Fund	\$ 528,833	\$ 540,000*

*Amounts are classified as restricted assets on the combined balance sheet.

Note 7 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

	Rural Services	Local Option Sales Tax	Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Total Transfer In:
Secondary Roads	\$2,282,000	\$ 153,000	\$ -	\$ 1,949,386	\$ 4,384,386
Debt Service	-	314,031	655,515	-	969,546
Transfer Out:	\$2,282,000	\$ 467,031	\$ 656,515	\$ 1,949,386	\$ 5,353,932

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

Note 8 - Risk Management

The County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 679 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 8 - Risk Management (Continued)

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2013 were \$238,144.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by the amount of capital distributions previously received by the withdrawing member and an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (IMWCA) for workman's compensation insurance.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 9 - Pension and Retirement

Iowa Public Employees Retirement System – The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by the state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA 50306-9117.

Most regular plan members are required to contribute 5.78% of their annual covered salary and the County is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially defined contribution rate. Contribution requirements are established by state statute. The County contribution to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$470,613, \$429,951, and \$375,339, respectively, equal to the required contributions for each year.

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 103 active and 1 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a medical plan administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 6,976
Interest on net OPEB obligation	176
Adjustment to annual required contribution	(240)
Annual OPEB cost	<u>6,912</u>
Contributions made	(780)
Increase in net OPEB obligation	6,132
Net OPEB obligation beginning of year	9,828
Net OPEB obligation end of year	<u>\$ 15,960</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2013.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 10 - Postemployment Benefits (OPEB) (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 6,912	14.3%	\$ 15,960
June 30, 2012	\$ 6,912	14.3%	\$ 9,828
June 30, 2011	\$ 6,915	81.17%	\$ 3,906

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$66,541, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$66,541. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$4,530,000 and the ratio of the UAAL to covered payroll was 1.47%. As of June 30, 2013, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2011 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 7%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table. Annual retirement and termination probabilities were based on 25% for actives currently electing coverage beginning at age 55 and 0% for actives currently waiving coverage.

Projected claim costs of the medical plan are \$1,005 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 11 - 28E Agreement

During the year ended June 30, 2002, the County entered into several 28E Agreements with the communities in the County to contribute funds for the construction of a County jail from local option sales tax proceeds. The communities agreed to contribute a total of \$3,236,020 through November 2016. As of June 30, 2013, the communities have made payments totaling \$2,377,887. In August 2010, the communities agreed on a new 28E repayment schedule due to the issuance of the LOST refunding bonds which reduced the future bond payments. The new agreement reduced the payments remaining from the area communities from \$1,499,589 to \$1,495,292 with the final payments due December 1, 2016.

Note 12 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2013, the County estimates that no material liabilities will result from such audits.

Note 13 - Commitments

The County has entered into construction contracts totaling \$4,672,434 for bridge and roadway construction. As of June 30, 2013, \$1,823,549 had been incurred against the contract. The balance of \$2,848,885 will be paid as work on the project progresses.

The County has pledged \$400,000 to Floyd Valley Hospital over the next three fiscal years for construction projects at the hospital. The County will pay \$150,000 each in fiscal years 2014 and 2015 and \$100,000 in fiscal year 2016 to fulfill this pledge.

Note 14 - Deficit Fund Balances

The County has two funds with deficit fund balances at June 30, 2013. The County intends to finance the deficits in the Urban Renewal funds with future TIF revenues.

The fund deficits were as follows:

Special Revenue – Plymouth County Ethanol Urban Renewal	\$ 2,053,520
Special Revenue – Joint Urban Renewal	59,115

Note 15 - Prior Period Adjustment

In previous years bond issuance costs were deferred and amortized over the term of the bonds. During the year ended June 30, 2013, the County implemented Governmental Accounting Standards Board Statement No. 65 requiring these costs to be recognized in the period the loan was originated. A prior period adjustment was reported on the financial statements to recognize the effect of the removal of the unamortized bond issuance costs. The prior period adjustment decreased the beginning balance of the net position of the governmental activities by \$250,750.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2013

Note 16 - Subsequent Events

In July 2013, the County issued \$2,225,000 of General Obligation Urban Renewal Bonds. The 2013 Bonds have an interest rate of 2% and a maturity date of June 1, 2019. These bond proceeds are to be used to finance the County's road improvement projects.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL - ALL GOVERNMENTAL FUNDS (BUDGETARY BASIS)
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property and other county taxes	\$11,461,957	\$11,461,957	\$ 11,454,568	\$ (7,389)
Interest and penalties on taxes	53,000	81,000	62,407	(18,593)
Intergovernmental	9,221,162	12,110,498	8,573,006	(3,537,492)
Licenses and permits	20,600	20,600	22,375	1,775
Charges for services	1,028,270	1,165,270	1,126,761	(38,509)
Use of money and property	166,320	502,149	563,022	60,873
Miscellaneous	421,700	434,150	492,505	58,355
Total Revenue	<u>22,373,009</u>	<u>25,775,624</u>	<u>22,294,644</u>	<u>(3,480,980)</u>
Expenditures:				
Current operating:				
Public safety and legal services	3,156,851	3,252,087	3,164,824	87,263
Physical health and social services	371,201	408,401	376,854	31,547
Mental Health	1,835,100	1,835,100	592,193	1,242,907
County environment and education	969,183	1,055,633	957,460	98,173
Roads and transportation	6,956,000	9,756,000	8,694,342	1,061,658
Government services to residents	909,975	1,029,975	848,280	181,695
Administration	4,110,834	4,282,308	3,438,158	844,150
Non-program services	-	25,600	25,600	-
Debt service	778,691	1,288,691	1,430,742	(142,051)
Capital projects	2,565,000	3,633,000	3,096,524	536,476
Total Expenditures	<u>21,652,835</u>	<u>26,566,795</u>	<u>22,624,977</u>	<u>3,941,818</u>
Excess (Deficiency) of revenues over expenditures	<u>720,174</u>	<u>(791,171)</u>	<u>(330,333)</u>	<u>460,838</u>
Other financing sources (uses):				
Transfers in	2,759,100	3,306,858	3,926,546	619,688
Transfers out	(2,759,100)	(3,306,858)	(3,926,546)	(619,688)
Proceeds from sale of capital assets	-	-	5,305	5,305
Proceeds from issuance of debt	100,000	100,000	100,000	-
Payment on refunded bonds	-	-	(6,100,000)	(6,100,000)
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>(5,994,695)</u>	<u>(6,094,695)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 820,174</u>	<u>\$ (691,171)</u>	<u>(6,325,028)</u>	<u>\$ (5,633,857)</u>
Balance beginning of year			<u>10,410,006</u>	
Balance end of year			<u>\$ 4,084,978</u>	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2013

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$4,913,960. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the debt service function.

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2013

As noted previously, the actual results of operations are presented in accordance with U.S. generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2012-13 budget. For purposes of preparing the budget comparison above, the actual expenses have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenses to cash basis at the end of year are as follows:

Governmental Funds			
	Cash Basis	Total Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 22,294,644	\$ (2,481,885)	\$ 19,812,759
Expenditures	22,624,977	1,884,609	20,740,368
Net	(330,333)	(597,276)	(927,609)
Other Financing Sources	(5,994,695)	-	(5,994,695)
Beginning Fund Balance	10,410,006	2,528,245	12,938,251
Decrease in Reserve for Inventory	-	(87,990)	(87,990)
Increase in Reserve for Prepaid Assets	-	13,563	13,563
Ending Fund Balance	<u>\$ 4,084,978</u>	<u>\$ 1,856,542</u>	<u>\$ 5,941,520</u>

PLYMOUTH COUNTY
Schedule of Funding Progress for the Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,385,000	1.34%
2010	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%
2011	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%
2012	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%
2013	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

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OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2013

	Special Revenue Funds		
	Revolving Loan Fund	Veteran Affairs County Grant	Recorder's Records Management Fund
Assets			
Cash and Pooled Investments	\$ 395,926	\$ 992	\$ 22,728
Receivables:			
Accrued Interest	-	-	3
Accounts	-	-	464
Note Receivable	71,431	-	-
Total Assets	<u>467,357</u>	<u>992</u>	<u>23,195</u>
Liabilities			
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)			
Restricted for:			
Other Purposes	-	992	23,195
Committed for:			
Revolving Loan	467,357	-	-
Total Fund Balances	<u>467,357</u>	<u>992</u>	<u>23,195</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 467,357</u>	<u>\$ 992</u>	<u>\$ 23,195</u>

Special Revenue Funds

REAP		Forfeiture Fund		Total
\$	24,376	\$	101,369	\$ 545,391
	4		1	8
	-		-	464
	-		-	71,431
	24,380		101,370	617,294
<hr/>				
	-		482	482
	-		482	482
<hr/>				
	24,380		100,888	149,455
	-		-	467,357
	24,380		100,888	616,812
<hr/>				
\$	24,380	\$	101,370	\$ 617,294
<hr/>				

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds		
	Revolving Loan Fund	Veteran Affairs County Grant	Recorder's Records Management Fund
Revenue:			
Property and other county taxes	\$ -	\$ -	\$ -
Intergovernmental	-	10,000	-
Charges for services	-	-	6,550
Use of money and property	6,428	-	72
Miscellaneous	-	-	-
Total Revenue	6,428	10,000	6,622
Expenditures:			
Current operating:			
Public safety and legal services	-	-	-
Physical health and social services	-	10,586	-
County environment and education	-	-	-
Government services to residents	-	-	11,856
Total Expenditures	-	10,586	11,856
Excess (Deficiency) of revenues over expenditures	6,428	(586)	(5,234)
Net Change in Fund Balances	6,428	(586)	(5,234)
Fund balances - beginning of year	460,929	1,578	28,429
Fund balances - end of year	\$ 467,357	\$ 992	\$ 23,195

Special Revenue Funds

REAP	Forfeiture Fund	Total
\$ -	\$ -	\$ -
12,782	395	23,177
-	8	6,558
42	-	6,542
-	34,246	34,246
12,824	34,649	70,523
<hr/>		
-	25,101	25,101
-	-	10,586
2,656	1,363	4,019
-	-	11,856
2,656	26,464	51,562
<hr/>		
10,168	8,185	18,961
<hr/>		
10,168	8,185	18,961
14,212	92,703	597,851
<hr/>		
\$ 24,380	\$ 100,888	\$ 616,812
<hr/>		

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2013

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 60,362	\$ 74,567	\$ 2,241	\$ 380,229
Receivables:				
Property Tax	-	-	231	494
Future Property Tax	-	-	213,000	458,000
Assessments	-	-	-	-
Accounts	667	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	61,029	74,567	215,472	838,723
LIABILITIES				
Accounts Payable	-	889	-	2,259
Due to Other Governments	61,029	73,678	215,472	834,106
Compensated Absences	-	-	-	2,358
Total Liabilities	\$ 61,029	\$ 74,567	\$ 215,472	\$ 838,723

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 185,990	\$ 10,538	\$ 68,433	\$ 4,436	\$ 6,155
17,576	1,106	15,229	119	-
17,142,189	1,022,869	10,417,043	388,059	-
-	-	-	-	16,621
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
17,345,755	1,034,513	10,500,705	392,614	22,776
-	-	-	-	-
17,345,755	1,034,513	10,500,705	392,614	22,776
-	-	-	-	-
\$ 17,345,755	\$ 1,034,513	\$ 10,500,705	\$ 392,614	\$ 22,776

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION (Continued)
Agency Funds
JUNE 30, 2013

	Auto License-Use Tax	Joint Disaster	Brucellosis & Tuberculosis Eradication
ASSETS			
Cash and Pooled Investments	\$ 589,931	\$ 70,216	\$ 45
Receivables:			
Property Tax	-	-	4
Future Property Tax	-	-	4,427
Assessments	-	-	-
Accounts	-	-	-
Accrued Interest	-	-	-
Due from Other Governments	-	28,661	-
Total Assets	<u>589,931</u>	<u>98,877</u>	<u>4,476</u>
LIABILITIES			
Accounts Payable	-	60	-
Due to Other Governments	589,931	97,911	4,476
Compensated Absences	-	906	-
Total Liabilities	<u>\$ 589,931</u>	<u>\$ 98,877</u>	<u>\$ 4,476</u>

Tax Redemption	Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 40,478	\$ 575,113	\$ 122,841	\$ 497	\$ 17,365	\$ 2,209,437
-	-	-	-	-	34,759
-	-	-	-	-	29,645,587
-	-	-	-	-	16,621
-	18,552	-	464	-	19,683
-	68	-	-	-	68
-	22,622	-	-	-	51,283
40,478	616,355	122,841	961	17,365	31,977,438
-	744	-	-	-	3,952
40,478	615,611	122,841	961	17,365	31,970,222
-	-	-	-	-	3,264
\$ 40,478	\$ 616,355	\$ 122,841	\$ 961	\$ 17,365	\$ 31,977,438

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2013

	Balance June 30, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
County Recorder				
<i>Assets</i>				
Cash and Pooled Investments	\$ 60,180	\$ 607,427	\$ 607,245	\$ 60,362
Accounts Receivable	120	1,319	772	667
Total Assets	<u>60,300</u>	<u>608,746</u>	<u>608,017</u>	<u>61,029</u>
<i>Liabilities</i>				
Due to Other Governments	60,300	608,746	608,017	61,029
Total Liabilities	<u>60,300</u>	<u>608,746</u>	<u>608,017</u>	<u>61,029</u>
County Sheriff				
<i>Assets</i>				
Cash and Pooled Investments	94,462	475,511	495,406	74,567
Total Assets	<u>94,462</u>	<u>475,511</u>	<u>495,406</u>	<u>74,567</u>
<i>Liabilities</i>				
Account Payable	1,022	109,082	109,215	889
Due to Other Governments	93,440	366,429	386,191	73,678
Total Liabilities	<u>94,462</u>	<u>475,511</u>	<u>495,406</u>	<u>74,567</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	2,174	207,547	207,480	2,241
Property Tax Receivable	213	231	213	231
Future Property Tax Receivable	207,000	213,000	207,000	213,000
Total Assets	<u>209,387</u>	<u>420,778</u>	<u>414,693</u>	<u>215,472</u>
<i>Liabilities</i>				
Due to Other Governments	209,387	420,778	414,693	215,472
Total Liabilities	<u>209,387</u>	<u>420,778</u>	<u>414,693</u>	<u>215,472</u>
County Assessor				
<i>Assets</i>				
Cash and Pooled Investments	387,495	461,016	468,282	380,229
Property Tax Receivable	472	494	472	494
Future Property Tax Receivable	459,411	458,000	459,411	458,000
Accrued Interest	118	-	118	-
Total Assets	<u>847,496</u>	<u>919,510</u>	<u>928,283</u>	<u>838,723</u>
<i>Liabilities</i>				
Accounts Payable	4,146	2,259	4,146	2,259
Compensated Absences	2,758	2,358	2,758	2,358
Due to Other Governments	840,592	914,893	921,379	834,106
Total Liabilities	<u>\$ 847,496</u>	<u>\$ 919,510</u>	<u>\$ 928,283</u>	<u>\$ 838,723</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2013

	Balance June 30, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
Schools				
Assets				
Cash and Pooled Investments	\$ 186,145	\$ 17,359,000	\$ 17,359,155	\$ 185,990
Property Tax Receivable	16,634	17,576	16,634	17,576
Future Property Tax Receivable	17,319,000	17,142,189	17,319,000	17,142,189
Total Assets	<u>17,521,779</u>	<u>34,518,765</u>	<u>34,694,789</u>	<u>17,345,755</u>
Liabilities				
Due to Other Governments	17,521,779	34,518,765	34,694,789	17,345,755
Total Liabilities	<u>17,521,779</u>	<u>34,518,765</u>	<u>34,694,789</u>	<u>17,345,755</u>
Area Schools				
Assets				
Cash and Pooled Investments	10,005	977,614	977,081	10,538
Property Tax Receivable	1,006	1,106	1,006	1,106
Future Property Tax Receivable	975,047	1,022,869	975,047	1,022,869
Total Assets	<u>986,058</u>	<u>2,001,589</u>	<u>1,953,134</u>	<u>1,034,513</u>
Liabilities				
Due to Other Governments	986,058	2,001,589	1,953,134	1,034,513
Total Liabilities	<u>986,058</u>	<u>2,001,589</u>	<u>1,953,134</u>	<u>1,034,513</u>
Corporations				
Assets				
Cash and Pooled Investments	96,712	10,896,562	10,924,841	68,433
Property Tax Receivable	18,451	15,229	18,451	15,229
Future Property Tax Receivable	10,868,974	10,417,043	10,868,974	10,417,043
Total Assets	<u>10,984,137</u>	<u>21,328,834</u>	<u>21,812,266</u>	<u>10,500,705</u>
Liabilities				
Due to Other Governments	10,984,137	21,328,834	21,812,266	10,500,705
Total Liabilities	<u>10,984,137</u>	<u>21,328,834</u>	<u>21,812,266</u>	<u>10,500,705</u>
Townships				
Assets				
Cash and Pooled Investments	4,087	373,791	373,442	4,436
Property Tax Receivable	99	119	99	119
Future Property Tax Receivable	373,216	388,059	373,216	388,059
Total Assets	<u>377,402</u>	<u>761,969</u>	<u>746,757</u>	<u>392,614</u>
Liabilities				
Due to Other Governments	377,402	761,969	746,757	392,614
Total Liabilities	<u>\$ 377,402</u>	<u>\$ 761,969</u>	<u>\$ 746,757</u>	<u>\$ 392,614</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2013

	Balance June 30, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
City Special Assessments				
<i>Assets</i>				
Cash and Pooled Investments	\$ 2,221	\$ 32,896	\$ 28,962	\$ 6,155
Assessments Receivable	54,195	54,195	91,769	16,621
Total Assets	<u>56,416</u>	<u>87,091</u>	<u>120,731</u>	<u>22,776</u>
<i>Liabilities</i>				
Due to Other Governments	56,416	87,091	120,731	22,776
Total Liabilities	<u>56,416</u>	<u>87,091</u>	<u>120,731</u>	<u>22,776</u>
Auto License and Use Tax				
<i>Assets</i>				
Cash and Pooled Investments	651,254	8,282,410	8,343,733	589,931
Total Assets	<u>651,254</u>	<u>8,282,410</u>	<u>8,343,733</u>	<u>589,931</u>
<i>Liabilities</i>				
Due to Other Governments	651,254	8,282,410	8,343,733	589,931
Total Liabilities	<u>651,254</u>	<u>8,282,410</u>	<u>8,343,733</u>	<u>589,931</u>
Joint Disaster				
<i>Assets</i>				
Cash and Pooled Investments	65,034	105,940	100,758	70,216
Due from Other Governments	28,425	28,661	28,425	28,661
Total Assets	<u>93,459</u>	<u>134,601</u>	<u>129,183</u>	<u>98,877</u>
<i>Liabilities</i>				
Accounts Payable	1,665	60	1,665	60
Compensated Absences	971	906	971	906
Due to Other Governments	90,823	133,635	126,547	97,911
Total Liabilities	<u>93,459</u>	<u>134,601</u>	<u>129,183</u>	<u>98,877</u>
Brucellosis and Tuberculosis Eradication				
<i>Assets</i>				
Cash and Pooled Investments	41	6,463	6,459	45
Property Tax Receivable	4	4	4	4
Future Property Tax	4,141	4,427	4,141	4,427
Total Assets	<u>4,186</u>	<u>10,894</u>	<u>10,604</u>	<u>4,476</u>
<i>Liabilities</i>				
Due to Other Governments	4,186	10,894	10,604	4,476
Total Liabilities	<u>\$ 4,186</u>	<u>\$ 10,894</u>	<u>\$ 10,604</u>	<u>\$ 4,476</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2013

	Balance June 30, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
Tax Redemption				
Assets				
Cash and Pooled Investments	\$ 27,265	\$ 541,054	\$ 527,841	\$ 40,478
Total Assets	<u>27,265</u>	<u>541,054</u>	<u>527,841</u>	<u>40,478</u>
Liabilities				
Due to Other Governments	<u>27,265</u>	<u>541,054</u>	<u>527,841</u>	<u>40,478</u>
Total Liabilities	<u>27,265</u>	<u>541,054</u>	<u>527,841</u>	<u>40,478</u>
E-911				
Assets				
Cash and Pooled Investments	467,878	205,451	98,216	575,113
Accounts Receivable	19,244	18,552	19,244	18,552
Accrued Interest	83	68	83	68
Due from Other Governments	<u>12,203</u>	<u>22,622</u>	<u>12,203</u>	<u>22,622</u>
Total Assets	<u>499,408</u>	<u>246,693</u>	<u>129,746</u>	<u>616,355</u>
Liabilities				
Accounts Payable	764	744	764	744
Due to Other Governments	<u>498,644</u>	<u>245,949</u>	<u>128,982</u>	<u>615,611</u>
Total Liabilities	<u>499,408</u>	<u>246,693</u>	<u>129,746</u>	<u>616,355</u>
Future Tax				
Assets				
Cash and Pooled Investments	<u>102,219</u>	<u>122,527</u>	<u>101,905</u>	<u>122,841</u>
Total Assets	<u>102,219</u>	<u>122,527</u>	<u>101,905</u>	<u>122,841</u>
Liabilities				
Due to Other Governments	<u>102,219</u>	<u>122,527</u>	<u>101,905</u>	<u>122,841</u>
Total Liabilities	<u>102,219</u>	<u>122,527</u>	<u>101,905</u>	<u>122,841</u>
Recorder's Electronic Fee Fund				
Assets				
Cash	541	6,605	6,649	497
Accounts Receivable	<u>519</u>	<u>464</u>	<u>519</u>	<u>464</u>
Total Assets	<u>1,060</u>	<u>7,069</u>	<u>7,168</u>	<u>961</u>
Liabilities				
Due to Other Governments	<u>1,060</u>	<u>7,069</u>	<u>7,168</u>	<u>961</u>
Total Liabilities	<u>\$ 1,060</u>	<u>\$ 7,069</u>	<u>\$ 7,168</u>	<u>\$ 961</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2013

	Balance July 1, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
Drainage Districts				
<i>Assets</i>				
Cash and Pooled Investments	\$ 17,364	\$ 29,577	\$ 29,576	\$ 17,365
Assessments	30,380	-	30,380	-
Total Assets	<u>47,744</u>	<u>29,577</u>	<u>59,956</u>	<u>17,365</u>
<i>Liabilities</i>				
Due to Other Governments	<u>47,744</u>	<u>29,577</u>	<u>59,956</u>	<u>17,365</u>
Total Liabilities	<u>47,744</u>	<u>29,577</u>	<u>59,956</u>	<u>17,365</u>
Total All Agency Funds				
<i>Assets</i>				
Cash and Pooled Investments	2,175,077	40,691,391	40,657,031	2,209,437
Receivables:				
Property Tax	36,879	34,759	36,879	34,759
Future Property Tax	30,206,789	29,645,587	30,206,789	29,645,587
Accounts	19,883	20,335	20,535	19,683
Assessments	84,575	54,195	122,149	16,621
Accrued Interest	201	68	201	68
Due from Other Governments	<u>40,628</u>	<u>51,283</u>	<u>40,628</u>	<u>51,283</u>
Total Assets	<u>32,564,032</u>	<u>70,497,618</u>	<u>71,084,212</u>	<u>31,977,438</u>
<i>Liabilities</i>				
Accounts Payable	7,597	112,145	115,790	3,952
Due to Other Governments	32,552,706	70,382,209	70,964,693	31,970,222
Compensated Absences	<u>3,729</u>	<u>3,264</u>	<u>3,729</u>	<u>3,264</u>
Total Liabilities	<u>\$32,564,032</u>	<u>\$70,497,618</u>	<u>\$71,084,212</u>	<u>\$31,977,438</u>

COUNTY OF PLYMOUTH, IOWA

**Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds
For the Last Ten Years**

	Modified Accrual Basis of Accounting			
	2013	2012	2011	2010
Revenue:				
Property and other county tax	\$ 11,448,720	\$ 9,877,179	\$ 9,920,821	\$ 8,990,258
Interest and penalty on property tax	61,238	63,172	78,080	59,147
Intergovernmental	6,308,678	8,972,935	7,385,918	6,932,868
Licenses and permits	22,375	17,800	24,285	22,993
Charges for services	1,125,503	1,115,565	1,114,377	859,404
Use of money and property	509,734	207,602	189,653	177,048
Miscellaneous	336,511	496,728	458,852	380,740
Total Revenue	19,812,759	20,750,981	19,171,986	17,422,458
Expenditures:				
Current operating:				
Public safety and legal services	3,223,465	3,071,623	2,853,341	2,855,860
Physical health and social services	382,695	364,859	376,388	414,025
Mental health	679,483	2,147,497	1,984,771	1,660,599
County environment and education	970,421	799,208	927,079	906,846
Roads and transportation	6,482,247	6,245,662	6,195,661	6,386,246
Government services to residents	849,607	710,910	656,140	665,248
Administration	3,270,103	3,727,087	3,956,335	2,270,447
Non-program services	-	-	13,975	29,204
Capital projects	3,426,005	1,140,267	1,560,203	1,021,659
Debt service	1,430,742	1,509,270	1,271,516	1,610,201
Total	\$ 20,714,768	\$ 19,716,383	\$ 19,795,409	\$ 17,820,335

Modified Accrual Basis of Accounting					
2009	2008	2007	2006	2005	2004
\$ 8,308,557	\$ 7,029,638	\$ 7,038,897	\$ 6,477,719	\$ 6,066,442	\$ 6,117,788
52,946	66,489	44,774	51,572	41,285	54,117
7,024,793	7,434,084	7,907,071	6,366,280	5,764,705	6,098,652
30,113	18,916	20,915	16,411	19,970	13,720
1,022,824	943,907	900,890	1,027,574	714,999	645,852
228,436	332,861	427,026	512,097	361,449	325,344
349,320	314,448	288,332	285,461	237,226	298,171
17,016,989	16,140,343	16,627,905	14,737,114	13,206,076	13,553,644
2,734,558	2,658,332	2,486,684	2,535,343	2,275,934	2,026,630
328,814	264,204	255,798	239,609	246,990	314,657
1,902,737	2,009,963	1,638,704	1,565,248	1,431,115	1,285,294
769,916	869,298	778,989	655,145	7,743,681	614,980
6,178,260	6,461,398	6,699,545	4,793,094	4,890,445	4,877,358
674,508	602,053	618,032	787,097	588,414	535,747
2,142,876	1,974,168	2,138,733	2,167,003	2,418,039	1,855,790
84,500	20,000	110,352	327,239	41,639	25,000
1,083,632	831,956	1,172,569	1,647,786	2,454,669	2,617,181
1,252,667	941,037	950,554	941,384	665,329	639,790
\$ 17,152,468	\$ 16,632,409	\$ 16,849,960	\$ 15,658,948	\$ 22,756,255	\$ 14,792,427

PLYMOUTH COUNTY
Schedule of Findings
Year Ended June 30, 2013

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

Instances of Noncompliance

No matters were reported.

There were no prior year audit findings.

Material Weakness

II-A-13: Financial Reporting

Observation – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables, and capital asset additions are identified in the County's financial statements.

Response – We will double check these in the future to avoid missing any receivables, payables, or capital asset transactions.

Conclusion – Response accepted

Part III: Other Findings Related to Required Statutory Reporting

III-A-13 Certified Budget – Disbursements for the year ended June 30, 2013, exceeded the amounts budgeted in the debt service function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We will amend the budget when required in the future.

Conclusion – Response accepted.

III-B-13 Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

PLYMOUTH COUNTY
Schedule of Findings
Year Ended June 30, 2013

Part III: Other Findings Related to Required Statutory Reporting (Continued)

III-C-13 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-13 Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2013.

III-E-13 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Recommendation – The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Response – We feel the amount each township owes is minimal and therefore, not worth the time it would take to figure and bill each township.

Conclusion – Response accepted.

III-F-13 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2013 for the County Extension Office did not exceed the amount budgeted.

III-G-13 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

III-H-13 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

III-I-13 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12b and 12c of the Code of Iowa and the County's investment policy were noted.

III-J-13 Joint Disaster Certified Budget – Disbursements for the year ended June 30, 2013 exceeded the amount budgeted.

Recommendation – The budgets should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We will amend the budgets when required in the future.

Conclusion – Response accepted.

PLYMOUTH COUNTY
Schedule of Findings
Year Ended June 30, 2013

Part III: Other Findings Related to Required Statutory Reporting (Continued)

III-K-13 Urban Renewal Annual Report – The urban renewal annual report was not filed with the Iowa Department of Management on or before December 1.

Recommendation – The urban renewal annual report should be approved and certified to the Iowa Department of Management on or before December 1.

Response – We will file the urban renewal annual report timely in the future.

Conclusion – Response accepted.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Plymouth County, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Plymouth County's basic financial statements and have issued our report thereon dated January 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plymouth County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plymouth County's internal control. Accordingly, we do not express an opinion on the effectiveness of Plymouth County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item II-A-13 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plymouth County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Plymouth County's Response to Findings

Plymouth County's response to the findings identified in our audit is described in the accompanying schedule of findings. Plymouth County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit. Should you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
January 27, 2014